Fair Insurance Rates in Monroe (FIRM)

2018 Annual Report

FIRM in 2018

FIRM had both an active and successful year working on behalf of its members and the residents of Monroe County. Over the last 10 years, FIRM has saved Monroe County windstorm and flood insurance policy holders more than $500 million in insurance premiums. Major achievements in 2018 included:

- A freeze in Citizens Property Insurance residential wind insurance rate increases for Monroe County.
- A motion filed with the First Appellate Court of Florida requesting the right to challenge the 2018 Citizens windstorm rate increases not frozen by OIR.
- Second series of flood mitigation workshops held throughout the county, this time focusing on elevation of properties.
- Third series of flood mitigation workshops held throughout the county with representatives from the Florida Division of Consumer Services, local inspector Byron Agababian, and a representative from FloodSmart. These workshops addressed insurance coverage and dry flood proofing methods.
- A Citizens Claim Satisfaction Survey asking Citizens policyholders about their claims process following Hurricane Irma.
- A contract with lobbying firm Capitol Access for representation in Tallahassee and throughout the state with legislation and policies affecting windstorm insurance in Monroe County.
- Increased National Flood Insurance Program (NFIP) premium discount levels for many County flood policyholders through continuing work with the County and municipalities to improve Community Rating System scores.
- A Realtor Outreach Committee to keep our Realtor partners updated on windstorm and flood insurance issues.
- A successful challenge to proposed changes to FEMA's risk map guidelines and standards.
- A FEMA Flood Map Task Force formed with staff from Monroe County and municipalities.
- A search for a consulting firm to analyze FEMA's risk mapping data to prepare for possible appeal to new flood maps.

<u>Other Windstorm Insurance Activities/Accomplishments</u>

- FIRM officers and/or its representatives attended and/or testified at:
  - Citizens Board of Governors Meeting in Orlando in both June and December.
  - Florida Keys Day in Tallahassee. FIRM representatives met with Sen. Flores, Rep. Raschein, Insurance Commissioner Altmaier, Director of Division of Consumer Services Tasha Carter, Monroe County lobbyist Robert Reyes, lobbyists Jeff Sharkey and Jerry Paul, and Citizens Director of Legislative Affairs Christine Ashburn.
  - The Governor's Cabinet Meeting in Tallahassee.
  - Monroe County Delegation meeting in Marathon.
  - Florida Association for Insurance Reform (FAIR) Awards Dinner.

- Following the denial by the First District Court of Appeal to reconsider refusing the right of policyholders to challenge the Office of Insurance Regulation approved Citizens' rates, FIRM decided to end its costly legal battle rather than to appeal to the Florida Supreme Court.
- FIRM continued work to develop and gain approval of revised windstorm insurance mitigation forms that would correctly recognize Monroe County building codes and provide for associated windstorm premium credits.

Other Flood Insurance Activities/Accomplishments

FIRM efforts in support of the National Flood Insurance Program (NFIP) reauthorization and modification included:

- Lobbying DC lawmakers.
- Aligning FIRM's legislative position regarding program modifications with those of Monroe County and the Florida Association of Counties to maximize legislative impact.
- Supporting and working with Monroe County staff on Reauthorization.
- Participating in the U.S. Army Corps of Engineers Monroe County Coastal Storm Risk Charette.
- Attending FEMA Storm Surge Analysis Update meeting in Key West.
- Publicizing the issues surrounding reauthorization.

Other Noteworthy Events/Activities

FIRM provided speakers for a wide range of organizations throughout the Keys and increased outreach by appearing on a number of local radio programs.

FIRM participated in community events such as the Lower Keys Chamber Business Walk About, Affordapalooza, Community Foundation of the Florida Keys Unsung Hero program, and Key West Association of Realtors Affiliate Expo.

FIRM Board of Directors held a strategic planning meeting to define the organization's direction for the next two years.

FIRM created a new fundraiser to mark the beginning of hurricane season.

FIRM representatives currently participate in the following government, civic, professional and non-profit organizations:

- Government
  - City of Key West, Historical Architecture Review Commission (HARC)
  - Community Emergency Response Team (CERT)
  - Community Rating System Program for Public Information (PPI) Committee
  - Local Mitigation Strategy Working Group
  - Monroe County Climate Change Advisory Committee
  - Monroe County Land Use Authority Advisory Committee
  - Monroe County Parks and Recreation Advisory Board

    - National Association of Insurance Commissioners
- Civic/Professional
    - American Society of News Editors
    - Centennial Bank Advisory Board
    - Coconut Castaways
    - Conch Republic CIA
    - Conch Republic Navy
    - Florida Keys Board of Realtors
    - Florida Keys Community Land Trust
    - Florida Keys Contractors Association
    - Florida Keys Fishing Tournaments, Inc.
    - Hometown! Key West
    - Key West Ambassador Academy Alumni
    - Key West Association of Realtors
    - League of Women Voters
    - Lower Keys Rotary
    - Marathon and Lower Keys Board of Realtors
    - Military Affairs Committee of Key West
    - Propeller Club of the United States Port of Key West
    - Rotary Club of Key West
    - Stars and Stripes National Publisher's Advisory Board
    - Sunrise Rotary
    - The Navy League
- Non-Profit
    - Cooking with Love
    - Equality Florida
    - Habitat for Humanity Board of Directors
    - Florida Keys Leadership Success Academy
    - Friends of Key West Library
    - Leadership Monroe County Alumni
    - Monroe County Long-Term Recovery Group
    - Take Stock in Children

FIRM Plans for 2019

- Hire Ransom Consulting to analyze FEMA's risk mapping data and challenge new maps if necessary.
- Conduct a multi-pronged outreach program to help property owners understand the implications of FEMA's new flood maps.
- Request a denial of Citizens' proposed rate increases on the basis that Citizens has not completed the analyses requested by Commissioner Altmaier in 2017.

- Continue vigorous resistance to Citizens windstorm insurance rate increases by supporting State Senator Flores' and State Representative Raschein's efforts to reduce Citizens' glide path for Monroe County.
- Build relationships with lawmakers and policymakers outside of Monroe County to help them understand our challenges.
- Update FIRM's Property Insurance User's Guide. (See FIRMKeys.org for a copy.)
- Promote and defend Monroe County property owners' interests in the run-up to 2019 Congressional legislation to reauthorize NFIP.
- Work with the Office of Insurance Regulation to introduce a modified wind insurance mitigation form that better accounts for Monroe County building code standards.
- Represent property owners at Florida Keys Day in Tallahassee in April.
- Continue to identify alternatives to traditional insurance markets in Monroe County.
- Increase FIRM membership.
- Cultivate, expand and diversify institutional and individual donor relationships.
- Continue to raise awareness of FIRM's mission, efforts and accomplishments through enhanced public outreach efforts.

FIRM Mission, Organization, and Past Accomplishments

FIRM is a grassroots organization formed in 2006 composed of homeowners and residents in Monroe County. FIRM's fight for fair, equitable and affordable property insurance rates for homeowners, residents and business owners protects property values and contributes to housing affordability. FIRM empowers Monroe County residents to make informed decisions about property insurance coverage, the claims process, mitigation, and storm preparedness.

FIRM is composed of two distinct non-profit organizations:

- FIRMKeys, a 501(c) (3) community service provider that conducts research and provides information, guidance, and assistance on property insurance topics to the Monroe County community. Donations to FIRMKeys may be deductible on personal Federal Income Tax returns.
- FIRM PAC, a 501(c) (4) political advocacy group that seeks to influence government and industry policy affecting property insurance rates in Monroe County. Donations to FIRM PAC are not tax deductible on personal income tax returns, but may be deductible as expenses on business tax returns.

FIRM has previously:

- Lobbied local, state, and federal government lawmakers and regulators.
- Successfully challenged windstorm insurance rate increases.
- Helped repeal worst aspects of Biggert-Waters flood insurance bill.
- Supported the Homeowners Flood Insurance Affordability Act (HFIAA), which repealed the most damaging aspects of Biggert-Waters.
- Supported the successful Key West building height referendum.
- Mobilized citizen campaigns.

- Advocated for homeowners to insurance policymakers, including the Florida Commission on Hurricane Loss Projection Methodology, the Florida Governor's Office, Citizens Property Insurance Corporation, Florida Office of Insurance Regulation, Florida Division of Consumer Services, Insurance Consumer Advocate.
- Served on insurance policy panels including the National Association of Insurance Commissioners.

Without FIRM, it is likely that every policyholder in the Keys would be paying at least twice as much every year for windstorm insurance alone. Since 2004 Monroe County has paid Citizens over $805 million in premiums over claims **paid**. FIRM's work keeps $60 million per year in the Keys economy.

FIRM 2018 Financial Report

In 2018, FIRM received significant funding support from the following:

Local Governments:

- City of Key West
- Monroe County
- Village of Islamorada

Non-Profits:

- Community Foundation of the Florida Keys

Associations:

- Florida REALTORS ® Political Action Committee (RPAC)
- Marathon and Lower Keys Association of Realtors
- Key West Association of Realtors
- Florida Keys Board of Realtors
- Atlantic Coral Harbor Condo Association
- Historic Key West Inns
- Sugarloaf Shores Property Owners Association
- Ocean Reef Community Association
- Cudjoe Gardens Property Owners Association
- Cabana Club
- Florida Keys Contractors Association
- Lady Alexander Association
- Sombrero Ridge Condo Association

Businesses:

- Buying in the Keys
- Isaksen Insurance
- Centennial Bank
- Braman Miami
- RE/MAX All Keys Real Estate Agents
- Amec Mortgage

- American Caribbean Real Estate
- Coldwell Banker Schmitt – Brian Schmitt
- Coldwell Banker Schmitt – Lisa Ferringo & Associates
- Margaritaville Resort & Marina Key West
- Mortgage Lending Solutions
- Berkshire Hathaway Knight & Gardner Realty – Brenda Donnelly
- Duck Key Real Estate
- First State Bank
- Island Breeze Realty
- Superior Electric
- Tropical Soup

Individual members:

- Clements Family Charitable Trust
- Mary Ellen Beattie
- Bryan Hawks
- Stuart M. Kaufman
- Jerry & Kristi Paul
- Steve and Kathy Russ
- Richard & Maggie Whitcomb
- Theresa Faber

Fundraisers:

- Marathon and Lower Keys Association/Key West Association of Realtors Golf Tournament
- Hurricanes are a Drag!
- Centennial Bank Grill Event

Following are The FIRMPAC and FIRMKeys unaudited 2018 Profit and Loss Statements and the 2018 Year-end Balance Sheets.

2018 PROFIT AND LOSS

			FIRM PAC		FIRMKeys
			Jan - Dec 18		Jan - Dec 18
Ordinary Income/Expense					
	Income				
	Total Direct Public Support		4,420.00		8,291.16
	Support From Local Governments		220,000.00		
	Total Fundraising		62,192.45		
	Total Investments		14.23		
	Miscellaneous Revenue		36,250.00		
	Donations from FIRMPAC				35,000.00
	Total Grant Funding				1,750.00
Total Income			322,876.68		45,041.16
	Expenses				
	Business Registration Fees		186.25		61.25
	Rent, Parking, Utilities and equipment		9,315.90		367.91
	Donations to FIRMKeys		35,000.00		
	Outreach/Workshops		220.25		4,404.87
	FIRMKeys Share of Operating Costs				36,250.00
	Other Operating Costs		3,817.43		3,178.46
	Accounting Fees		1,450.00		750.00
	Legal Fees		51,820.64		
	Lobbying Activities		16,784.79		
	Technical Consulting		10,400.00		
	Insurance - Liability, D and O		1,562.94		653.00
	Payroll Expenses		73,108.60		
	Total Travel & Meetings		797.32		3,261.80
	Website donation processing fee		67.94		105.33
	Website Maintenance				
Total Expense			204,547.05		49,032.62
Net Ordinary Income			**118,329.63**		**-3,991.46**

2018 BALANCE SHEET

	FIRM PAC		FIRMKeys
	2018		2018
ASSETS			
Current Assets			
Checking/Savings			
Due to/from FIRMKeys			
Checking	114,546.22		22,979.13
FIRM money market	5,852.29		
Petty Cash	293.06		
Special Project Account	42,372.01		
Total Checking/Savings	163,063.58		22,979.13
Other Current Assets			
Undeposited Funds			
SUTA Overpaid Receivable			
Total Other Current Assets			
Total Current Assets	163,063.58		22,979.13
TOTAL ASSETS	163,063.58		22,979.13
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	1,450.00		750.00
Total Accounts Payable	1,450.00		750.00
Other Current Liabilities			
Direct Deposit Liabilities			
Due to/from FIRMKeys			
Payroll Liabilities	2,231.68		
Total Other Current Liabilities	2,231.68		
Total Current Liabilities	3,681.68		750.00
Total Liabilities	3,681.68		750.00
Equity			
Unrestricted Net Assets	41,052.27		26,220.59
Net Income	118,329.63		-3,991.46
Total Equity	159,381.90		22,229.13
TOTAL LIABILITIES & EQUITY	**163,063.58**		**22,979.13**

FIRM Board of Directors and Staff
December 31, 2018

OFFICERS:
Mel Montagne, President
Steve Russ, Vice President
Joe Walsh, Treasurer
Theresa Faber, Secretary

DIRECTORS:
Linda Cunningham
Bryan Hawks
Rich Hlava
Rebecca Horan
Kristie Kajfasz
Michael Larson
Bob Maynard
Steve Miller
Joe Moody
Caren Morell
Erica Poole
Lisa Tennyson
Christina Weinhofer
Michele White

STAFF
Caroline Horn, Manager

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KCS Technical Solutions, Marathon, Florida

ACCOUNTING SERVICES
Oropeza & Parks, Certified Public Accountants, Key West, Florida

LEGAL
Oertel, Ferndandez, Bryant & Atkinson P.A., Tallahassee, Florida

LOBBYING
Capitol Access, Tallahassee, Florida